

physicians, can the injured employee recover compensation and the physicians a reasonable fee for their services in California, or must both the injured employee and his physicians proceed therefor in Massachusetts? Before the Supreme Court this department argued that it would be against the public policy of this State to require its physicians to go elsewhere to recover the reasonable value of their services. The Supreme Court, speaking through Mr. Justice Douglas L. Edmonds, agreed with our position and decided the case in favor of the injured employee and his attending physicians.

Malpractice Insurance.—Early last fall a number of different types of Lloyd's of London malpractice insurance policies were being issued throughout the State to members of the Association. The legal department received literally hundreds of inquiries from Association members with respect to Lloyd's of London and malpractice insurance generally. A preliminary investigation established that there were at that time at least thirty different kinds of malpractice insurance contracts being issued in the name of Lloyd's of London and that no two of these contracts were alike, some being adequate as to legal form and others obviously affording incomplete protection to the insured.

At the same time requests for assistance were received from several county societies, and in endeavoring to aid these societies, particularly the San Francisco County Medical Society, a model form of Lloyd's of London malpractice insurance policy was eventually prepared.

At the request of the Executive Committee of the Council, a further survey of the entire malpractice field was made and a formal report was presented to the Council at its meeting of January 15, 1938. In this report a brief résumé of the American insurance companies writing malpractice insurance was made and a detailed review of the various surplus line brokers representing underwriters at Lloyd's in London was presented. Since that report your General Counsel has been informed that one of the few American companies writing malpractice insurance has retired from the field. Your General Counsel has also recently been informed that the surplus line brokers in California through their own association have agreed to adopt the Lloyd's of London policy form prepared and approved by this department, and it is said to be their intention to use it exclusively so that in the future all Lloyd's of London malpractice insurance policies will be uniform. It is to be hoped that this information is accurate and will prove to be the fact.

The tremendous amount of research and correspondence carried on by the legal department in the past year on the subject of malpractice insurance is difficult to summarize in this report. Your General Counsel has been requested to, and will, present a full report on this subject to the House of Delegates at its first meeting at Pasadena. Interested members of the Association are also referred to the various reports on malpractice insurance which have been published or will be published in *CALIFORNIA AND WESTERN MEDICINE*, the *Bulletin of the Los Angeles County Medical Association*, and the *Bulletin of the San Francisco County Medical Society*.*

Miscellaneous.—During the past year, opinions have been requested and furnished dealing with such subjects as California Unemployment Reserves Act, the legal and ethical aspects of certain types of group medical practice, the legal scope of the practice of chiropractic, the legal status of methods of operation of county hospitals in effect in several of the counties, and many other subjects. Under instructions from the Council, this department has undertaken the defense of physicians who have been sued for damages as a consequence of testifying in a criminal prosecution based upon the alleged unlawful practice of medicine.

Attendance at conferences of officers at meetings of the Council, Executive Committee, and other standing and special committees, has been maintained throughout the year.

Members of this department have also enjoyed meeting with the members of a number of the county societies, where matters of legal import were considered.

Respectfully submitted,

Hartley F. Peart, *General Counsel*.

* See *CALIFORNIA AND WESTERN MEDICINE*, February, 1938, on page 148, and March, 1938, on page 226.

II

REPORTS OF DISTRICT COUNCILORS

FIRST COUNCILOR DISTRICT

Imperial, Orange, Riverside, San Bernardino, and San Diego Counties

To the President and the House of Delegates:

Annually each councilor is expected to report to the President and the House of Delegates regarding conditions pertaining to medicine and surgery in his district.

The First Councilor District is third in number of members and first in geographical boundaries. The counties of Imperial, San Diego, Orange, Riverside, and San Bernardino comprise the First Councilor District.

There have been no serious problems before the members of this district during the past year. County Hospital admissions and management have been quite satisfactory to all concerned. The sick and needy have been well cared for by the medical fraternity, and as far as I can gather from many individual contacts, all the men have had a more profitable year than the previous one. Hospital insurance carriers have not invaded the First District to any degree. Each county has seen many new and young men enrolled in the county societies. Few desirable men remain out of the county societies' enrollments.

The State officers, President-Elect Roblee, Speaker of the House of Delegates, Lowell Goin, and Secretary Warnshuis, have visited all the county societies at regular or called meetings and have given them very profitable talks on society matters which ended in round-table discussions for all present.

Postgraduate courses have taken on an added interest this year as evidenced by the Riverside meeting held on February 14. The men are interested in the clinical presentation of the various subjects. The Orange County Postgraduate Conference will be held on March 15 at 4 p. m. at the Ebell Club in Santa Ana. The San Bernardino conference will follow on April 7 at 4 p. m. at the Elks Club in San Bernardino.

Respectfully submitted,

Calvert L. Emmons, *Councilor,
First District.*

SECOND COUNCILOR DISTRICT

Los Angeles County

To the President and the House of Delegates:

During the past year steady progress has been made in the growth of the Los Angeles County Association.

The outstanding accomplishment was the drafting and adoption of a new constitution and by-laws. These represented many hours of unselfish labor on the part of the committee which had charge of the revision. In several respects they radically changed our former set-up.

For many years the specialty sections and the geographical branches have had representatives on the Board of Councilors. Because of the great disparity in membership in these various groups, it was realized that this caused definite inequalities of representation. It also made for a rather large deliberative body. A further difficulty arose from the fact that many of these representatives were elected for only one year, with the inevitable result that the greater part of their term of office was occupied in becoming familiar with the organization machinery.

In order to remedy these defects, a Council of twenty-one members has been created, each holding office for a period of three years, their terms being staggered so that seven new members are elected each year, thus making for a preponderance of experienced men and insuring continuity of policy.

Similarly, the five members of the Board of Trustees hold office for five years, with a change of one member each year. It is felt that the longer terms of office for the trustees are in keeping with the financial responsibility which devolves upon this Board.

The by-laws provide for the creation of twenty-one committees, each committee designed to study a present-day problem. It is also the idea that these committees will afford an opportunity for many members to become familiar with our problems and in this way new blood will be constantly introduced and be available for the administrative

work of the organization. Several of these new committees are already extremely active.

The other outstanding feature of the by-laws is the incorporation in its entirety of the recently adopted disciplinary code of the California Medical Association.

The effect of these changes will be greatly to increase the efficiency and smooth working of the organization.

Respectfully submitted,

Carl R. Howson, *Councilor,*
Second District.

THIRD COUNCILOR DISTRICT

Kern, San Luis Obispo, Santa Barbara, and Ventura Counties

To the President and the House of Delegates:

The councilor of the Third District has made the customary visits to the component societies. In addition, Santa Barbara, Ventura, and San Luis Obispo counties were hosts at special meetings to President-Elect Roblee and Secretary Warnshuis. Kern County was visited, at its annual banquet, by Doctors Roblee, Goin, and Warnshuis.

All societies in the district are functioning in excellent condition. The San Luis Obispo County Society is especially to be commended for the manner in which it handled its county hospital crisis.

The first postgraduate conference in the district was arranged for March 12 and 13 at Santa Barbara. The committee responsible for this conference is to be congratulated for the work done in its preparation and the excellent program arranged. In spite of various stormy weather there were 110 registered, which exceeded the expectation. The District is already looking forward to next year's conference.

Respectfully submitted,

Louis A. Packard, *Councilor.*
Third District.

FOURTH COUNCILOR DISTRICT

Fresno, Madera, Kings, Tulare, Merced, Mono, Mariposa, Inyo, Calaveras, San Joaquin, Tuolumne, and Stanislaus Counties

To the President and the House of Delegates:

Adjustment of some difficulties among members attending Council meetings, promotion of postgraduate conferences and Woman's Auxiliary activities, visits to county medical societies, meetings with the Farm Bureau and other lay organizations in the interest of our organization, and committee work on the County Hospital problem, were some of the activities by which the Councilor has tried to serve the district and the California Medical Association during the past year.

The attention of the membership has been pointedly directed to the importance of conscientious observance of the ethics of the profession and avoiding those errors in deportment which may furnish pretexts for malpractice suits. Adequate professional liability insurance has been a matter of much concern, in view of the alarming increase of suits. The standard form of policy developed by the California Medical Association's legal department and furnished by acceptable underwriters has been explained as offering the best solution of this problem at present.

An expression of majority opinion from constituent societies on expenditures in connection with the proposed basic science initiative was obtained and voted in the Council.

Some progress is being made in the spread of voluntary insurance in this district, but not in sufficient volume as yet to encourage the belief that it will to any great extent solve the problems of our needy sick. Other means to supplement voluntary insurance seem required in this district to offset the ever growing demand of taxpayers and nonindigents for the privilege of hospitalization in tax-supported institutions.

This being the year of another general election, the continuous interest in candidates for county supervisors and members of the legislature has been urged on the membership, and the need of hearty coöperation with our organizations of defense against measures designed to obstruct medical research and practice has been brought to the attention of our county societies.

The profession in general throughout the district is in full accord with the activities of the California Medical

Association and is rendering excellent medical service, much of which is donated to the public, and is supporting public health measures that are constantly encroaching on the field of medical practice.

Respectfully submitted,

A. E. Anderson, *Councilor,*
Fourth District.

FIFTH COUNCILOR DISTRICT

Monterey, San Benito, San Mateo, Santa Clara, and Santa Cruz Counties

To the President and the House of Delegates:

There have been several instances of notable achievement by the county medical societies in the Fifth Councilor District during the past year. Coöperating with the California Tuberculosis Association, the members of the San Mateo County Society have made possible more extensive school surveys which in themselves have proved valuable and are a means of furthering the effort toward control of tuberculosis in that county. A similar program has been started in Santa Cruz County and has already made progress.

Santa Clara County Medical Society has adopted basic principles for the coördination of its members and the County Hospital in the venereal disease campaign.

San Benito County Medical Society has expressed great interest in a proposed postgraduate program in this district in the near future.

All county societies in the district have been visited at least once, and plans have been made for additional visits with our State Secretary before the annual meeting.

Respectfully submitted,

Alfred L. Phillips, *Councilor,*
Fifth District.

SIXTH COUNCILOR DISTRICT

San Francisco County

To the President and the House of Delegates:

The major interest of the members of the Sixth District during the past year has been further study of health and hospital insurance and a thorough study of malpractice insurance.

In the matter of health and hospital insurance our particular efforts have been directed toward working out a plan which will provide a health service for the municipal employees of San Francisco. After many conferences, and after destructive criticism of certain plans, and after the presentation of three plans of our own, we have finally agreed upon one which, we feel, assures proper service to the insured by a physician of the insured's own choice and will, after the first year of operation, give reasonable compensation to the physician for that service.

The subject of malpractice insurance was very carefully surveyed by a committee, of which Dr. Philip K. Gilman is chairman and to which our legal counsel, Hartley F. Peart, was adviser. This has been an outstanding piece of work, and as a result a very satisfactory policy was made available just at the time when another major company withdrew from the field.

We feel that real progress has been made in our district this year.

More detailed reports on the above activities appear in CALIFORNIA AND WESTERN MEDICINE.

Respectfully submitted,

Karl L. Schaupp, *Councilor,*
Sixth District.

SEVENTH COUNCILOR DISTRICT

Alameda and Contra Costa Counties

To the President and the House of Delegates:

The Alameda County Medical Association has held ten regular meetings during the year, with scientific programs prepared and presented, in large measure, by our membership. One visiting speaker was included.

The Alameda County Medical Association shows steady increase in membership, and the past year, like the years preceding it, has added forty-two members to our number, twenty-nine of which were elected to regular membership, and thirteen to junior associate membership. The Association lost, through resignation, death, and failure to pay

dues, twenty-four members during the year, leaving a net gain of sixteen members.

During the year our Council was honored by a visit from Dr. Olin West, Secretary of the American Medical Association, and a special luncheon meeting was held for Doctor Leland, Director of the Bureau of Economics of the American Medical Association.

Progress can be reported in the development of our Hospital Insurance plan. The project is now fifteen months old, and during that period has shown a uniform and highly satisfactory growth in the number of policyholders and in more perfect understanding of the underlying problems by those entrusted with its management. One important feature has been the opening of the plan to members of the families of the present policyholders, on a financial basis which makes it highly attractive. The premium of the original policyholders is ninety cents, that of the spouse eighty cents, and each dependent child forty cents. This is a long step toward making the plan popular and a satisfactory solution of the problem of the general public in paying hospital costs. The plan is operating in four counties, and has added to its personnel an advisory committee of outstanding lay citizens from each of the four counties. The enthusiasm of this group is most encouraging to all interested in the success of the project.

Contra Costa County has joined with Alameda County in the Hospital Insurance plan, and is progressing as well as could be expected at this time. The Contra Costa Medical Society's regular meetings are well attended, and there are but few eligible men in the county who are not members of the Society.

Respectfully submitted,

O. D. Hamlin, *Councilor,*
Seventh District.

EIGHTH COUNCILOR DISTRICT

Alpine, Amador, Butte, Colusa, El Dorado, Glenn, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Sutter, Tehama, Yolo, and Yuba Counties

To the President and the House of Delegates:

During the first half of the present term, Dr. C. E. Schoff served as councilor for this district, and during this period he and several of the California Medical Association officials have made visits to many of the local societies. Doctor Schoff reports that all the meetings were well attended, and that the scientific programs were well presented.

The only accomplishment during my short term has been the reestablishment of the Intercoast Hospitalization Insurance Association on the approved list of the California Medical Association. The controversial points have been cleared away and perfect understanding now exists.

Respectfully submitted,

F. N. Scatena, *Councilor,*
Eighth District.

NINTH COUNCILOR DISTRICT

Del Norte, Humboldt, Mendocino, Lake, Marin, Napa, Solano, Sonoma, and Trinity Counties

To the President and the House of Delegates:

The hardest part of the year's work is preparing the councilor's annual report, as it is impossible to set forth the amount of work accomplished in the various society visits and the multiplicity of details attended to in such a brief report.

It is gratifying to see the intense interest the members of the county societies now take in the activities of organized medicine, as against the apathy and general spirit of doing nothing that existed when I first began making councilor visits some years ago. Whether this intense interest is due to the present type of editorials in the JOURNAL, the annual Secretaries' Conference, or the present unrest, is hard to analyze, but I believe the annual mid-year Secretaries' Conference is producing results.

During the past year I have attended all Council meetings, visited all of my societies but one, and to the best of my ability promoted the interest of organized medicine in this district.

Respectfully submitted,

Henry S. Rogers, *Councilor,*
Ninth District.

III

REPORTS OF COUNCILORS-AT-LARGE

To the President and the House of Delegates:

During the past year we have attended a number of meetings having to do with the activities of the Association.

The Secretaries' meeting was well attended, and I was impressed with the interest which members of the profession, from one end of the State to the other, are taking in matters pertaining not only to scientific medicine, but to economic phases of the practice of medicine. This increased cooperation on the part of many physicians who formerly took only a casual interest in the work of organized medicine, should be reassuring to all of us.

Respectfully submitted,

W. H. Kiger, *Councilor-at-Large.*

To the President and the House of Delegates:

All of the meetings of the Council have been attended, and an attempt has been made to acquaint the local society with what is going on throughout the State.

Respectfully submitted,

C. O. Tanner, *Councilor-at-Large.*

To the President and the House of Delegates:

Circumstances beyond control and of professional moment to me prevented my attending the last annual session and the meeting of the Council in January, 1938. All other meetings of the Council recorded my attendance. In official capacity, I have attended numerous conferences and hearings that dealt with activities of the city employees of San Francisco, designed to establish a health service for this group.

I have also attended many meetings of the Advisory Committee to the Hall of Science of the Golden Gate International Exposition.

Considerable time has also been devoted to the work of the Legislative Committee and to matters related to malpractice insurance.

Respectfully submitted,

T. Henshaw Kelly, *Councilor-at-Large.*

To the President and the House of Delegates:

As councilor-at-large my time has been almost wholly occupied by duties of the Committee on Public Policy and Legislation. Talks on legislation and legislative trends have been given, both at home and at the neighboring component societies, in company with Dr. F. C. Warnshuis, as he made his visits to the county groups.

Respectfully submitted,

Junius B. Harris, *Councilor-at-Large.*

To the President and the House of Delegates:

Our president and our secretary and councilors who preside over councilor districts will, without doubt, report of their activities, with inadequate emphasis on the time which they have given to the California Medical Association.

This Councilor would invite the attention of the members of the Association to the extraordinarily full cooperation of all Association officers.

Special meetings have been attended, on short notice, and without complaint.

Committee work has been undertaken and completed with care and precision.

Regular meetings have been fully attended.

The interest, energy, and loyalty of all your officers are commended to your attention.

Respectfully submitted,

M. R. Gibbons, *Councilor-at-Large.*

To the President and the House of Delegates:

It has been my privilege, during 1937, as a councilor-at-large, to assist in bringing about an agreement between the Board of Directors of the Associated Hospital Service of Southern California and the medical profession, acting